

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: COMPUTE NORTH HOLDINGS, INC. DEBTORS	§ § §	CASE NO. 22-90273 (MI) CHAPTER 11
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**MOTION FOR ENTRY OF ORDER (I) IDENTIFYING ASSETS
AND (II) CONFIRMING TERMS OF MODIFIED CONTRACT**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

COMES NOW KONZA MINING FUND I, LP (“**Konza**”), and files this Motion for Entry of Order (I) Identifying Assets and (II) Confirming Terms of Modified Contract, and respectfully shows the Court as follows:

1. On or about October 21, 2021, Konza and Debtor entered into a Master Agreement (the “Contract”). According to the terms of the Contract, Debtor shall provide certain services relating to Konza’s cryptocurrency mining equipment.

2. Konza originally purchased 1,020 machines (102kTH) of S19JPros (100TH) (the “Machines”) for approximately \$7,500,000. Of the contracted amount, Konza confirms that 197 Machines are installed at the Kearney, Nebraska facility, while Debtor approved and scheduled

240 Machines to send to a different operator. At this time, there are **583 Machines** which Konza purchased for approximately \$4,300,000 in limbo.

3. Despite many attempts and responses from Debtor that are inconsistent at best, Konza is unable to confirm the status or whereabouts of its remaining 583 Machines that Konza already purchased and some of which Debtor is holding somewhere in limbo. This has been a moving target for Konza, and as rightful and lawful owner of these Machines, Konza is entitled to know the serial numbers, status, and exact location of its property currently in Debtor's possession.

4. Despite multiple requests, Debtor failed and continues to fail to provide the concrete information that Konza requests. Debtor has strung Konza along, which prejudices Konza on a daily basis when the Machines sit idle and are not producing revenue. This requires Court intervention and an Order that requires Debtor to cooperate and provide the information Konza seeks. Konza simply seeks an Order from this Court requiring the Debtor to provide (i) the serial numbers; (ii) exact locations of Konza's missing property; (iii) and detailed implementation plan of Konza's remaining Machines, detailed below.

5. Konza and Debtor agreed to modify the Contract with respect to the 240 S19J Pros that Debtor agreed Konza could send to another operator. Before Debtor would sign a modification of the Contract, Debtor filed this Chapter 11 proceeding. Through this Motion, Konza likewise seeks confirmation that its Contract with Debtor remains modified pursuant to the agreement of the parties. While the original Contract specified 1,020 Machines, the parties reached an agreement to amend the hosting agreement to reduce the number of Machines to be hosted from 1,020 to 780 Machines. Despite reaching an agreement of modified terms specified in writing, Debtor failed to countersign the modified Contract.

6. Pursuant to the agreement, Debtor also agreed to refund Konza its deposit in the sum of \$65,130.24. Despite acknowledging the modified contract, Debtor has yet to return the deposit to Konza, and this is Konza's money. It is not Debtor's money.

7. Through the modification, Debtor approved and scheduled transport of the 240 Machines to Konza's third-party data center. Konza respectfully requests this Court enter an Order confirming that the modified Contract between Debtor and Konza relates only to 780 Machines, as opposed to the original 1,020 Machines referenced in the original Contract. Konza requests this confirmation from the Court in order to assist with specifying each party's rights and obligations under the Contract. Konza further requests that the Court Order Debtor to give Konza a detailed implementation plan for the remaining miners to be installed at the Wolf Hollow site, with approximate implementation dates and confirmation of the agreed-upon contract terms, including available rack space and hosting services rate.

CONCLUSION AND PRAYER

WHEREFORE, PREMISES CONSIDERED, Konza Mining Fund I, LP respectfully requests that the Court **(i)** enter an Order requiring Debtor to identify Konza's assets by complete serial numbers and location currently in its possession; **(ii)** enter an Order confirming the terms of the modified contract; **(iii)** enter an Order granting Konza a detailed implementation plan of its remaining Machines; and **(iv)** grant Konza all other and further relief at law, and in equity, as is just.

Respectfully submitted,

//s// Branch M. Sheppard
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KONZA MINING FUND I LP**

CERTIFICATE OF CONFERENCE AND CERTIFICATE OF SERVICE

I hereby certify that on October 30, 2022, I conferred with Debtor's counsel via telephone regarding the filing of and the basis for this Motion. As of the filing of this Motion, Debtor's counsel has not responded with the information requested herein. I hereby certify that on November 4, 2022, a true and correct of the foregoing Motion was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

//s// Branch M. Sheppard
Branch M. Sheppard